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Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development

Outcome of the third International Conference on Financing for Development

Report of the Secretary-General

Summary

The present report, submitted pursuant to General Assembly resolution 69/208, summarizes the outcome of the third International Conference on Financing for Development. The report consists of five sections. The introductory section provides an overview of the preparation of the Conference and its outcome. The second section gives a brief description of the proceedings of the Conference. The third section presents a summary of the Addis Ababa Action Agenda adopted at the Conference. The fourth section discusses the revitalized global partnership for sustainable development and summarizes additional initiatives, commitments and deliverables announced in the context of the Conference. The final section summarizes the inputs by non-governmental stakeholders in support of the Conference, in particular the Civil Society Organizations Global Forum and the International Business Forum.

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I. Introduction

1. The third International Conference on Financing for Development was held in Addis Ababa from 13 to16 July 2015. The Conference was attended by 24 Heads of State and Government and their deputies, more than 100 Ministers for Finance, Foreign Affairs and Development Cooperation and deputies and other high-ranking Government officials from 174 countries. The heads of major financial, trade and development institutions and senior representatives of United Nations agencies and other international organizations and more than 600 civil society organizations and networks and 400 representatives of the business sector participated in the Conference.

2. The intergovernmental preparatory process of the Conference was launched in October 2014.[1] Pursuant to General Assembly resolution 68/279, the President of the sixty-ninth session of the Assembly, Sam K. Kutesa (Uganda), appointed George Talbot, Permanent Representative of Guyana to the United Nations, and Geir Pedersen, Permanent Representative of Norway to the United Nations, as co-facilitators to lead open, inclusive and transparent consultations on all issues related to the Conference.

3. The preparations for the Conference included a series of substantive sessions (see A/CONF.227/3) and informal interactive hearings with representatives of civil society (see A/CONF.227/4) and the business sector (see A/CONF.227/5) during the period from October 2014 to April 2015, and drafting sessions and informal consultations from January to June 2015. In addition, the United Nations regional commissions held regional consultations on financing for development in March and April 2015.[2] The outcomes of all those meetings served as inputs to the preparation of the draft outcome document of the Conference (A/CONF.227/6).

4. To support the intergovernmental preparatory process, the Secretary-General designated the Under-Secretary-General for Economic and Social Affairs, Wu Hongbo, as the Conference Secretary-General. The Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat provided substantive support to the preparation and organization of the Conference, working closely with the host Government and all relevant stakeholders within and outside the United Nations system towards the success of the Conference.

5. The Conference resulted in the adoption of the intergovernmentally negotiated and agreed outcome, the Addis Ababa Action Agenda, which was subsequently endorsed by the General Assembly in its resolution 69/313 of 27 July 2015.

6. The Addis Ababa Action Agenda provides a strong foundation to support the implementation of the post-2015 development agenda. It includes a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities. Member States and other stakeholders also agreed on a comprehensive set of policy actions, with more than 100 concrete measures that draw upon all sources of finance, technology, innovation, trade, debt and data in order to support achievement of the sustainable development goals.

[1] See www.un.org/esa/ffd/ffd3/preparatory-process.html.

[2] See www.un.org/esa/ffd/ffd3/preparatory-process/regional-consultations.html.

7. The Action Agenda also serves as a guide for further actions by Governments, international organizations, civil society, the business sector and philanthropic organizations. Deliverables announced at the sideline meetings of the Conference, along with additional initiatives to be launched in the coming months, will further contribute to reaching the sustainable development goals. Although it is difficult to quantify all commitments made in the context of the Conference, owing to differences in methodologies used, it is estimated that a total amount of between half a trillion and a trillion dollars in resources could be made available for investment in sustainable development, much of it through development banks, with additional resources from the private sector.

8. Together, those efforts support a revitalized and strengthened global partnership for sustainable development that can end extreme poverty and deliver sustainable development for all.

II. Proceedings of the Conference

9. In accordance with General Assembly resolution 69/278, the official proceedings of the Conference (see A/CONF.227/20) consisted of eight plenary meetings and six multi-stakeholder round tables. The President of the Conference, Hailemariam Desalegn, Prime Minister of Ethiopia, opened the plenary debate. The Secretary-General, the President of the General Assembly and the executive heads of major institutional stakeholders of the financing for development process (the World Bank Group, the World Trade Organization (WTO), the United Nations Conference on Trade and Development and the United Nations Development Programme (UNDP)), as well as the Deputy Managing Director of the International Monetary Fund (IMF) and the Vice-President of the Economic and Social Council, spoke at the opening and second plenary meetings on the first day of the Conference.

10. In their statements, Member States and institutional stakeholders took stock of the progress made in the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, identified obstacles and constraints in their implementation, and proposed actions and initiatives to overcome them. They also addressed new challenges and emerging issues, including the need to tap all sources of development finance, the importance of harnessing the synergies between financing objectives across the three dimensions of sustainable development and the need to support the post-2015 development agenda.[3]

11. In parallel to the plenary, six multi-stakeholder round tables were held on the themes of global partnership and the three dimensions of sustainable development and ensuring policy coherence and an enabling environment at all levels for sustainable development. Round table participation was at the highest level, including Heads of State and Government, Ministers, heads of the financial and trade international institutions, prominent academics, heads of non-governmental organizations and senior business representatives.[4]

12. At the opening of the Conference, a Main Committee was established to consider and finalize the draft outcome document of the Conference. The

[3] For the summary of plenary meetings, see www.un.org/esa/ffd/ffd3/index.html.

[4] For summaries of round tables, see www.un.org/esa/ffd/ffd3/index.html.

Conference elected by acclamation the Minister for Foreign Affairs of Ethiopia, Tedros Adhanom Ghebreyesus, as Chair of the Main Committee. The Main Committee successfully concluded its work on 15 July 2015. The Conference adopted the outcome document on 16 July 2015.

13. Many countries expressed strong support for the outcome. The European Union lauded the ambitious vision and comprehensive nature of the Addis Ababa Action Agenda, which in its view provided the means to deliver on the sustainable development goals. However, several delegations raised some reservations. The Group of 77 and China recognized the progress achieved in the Action Agenda, but also noted that a number of issues had not been adequately accommodated, including the principle of common but differentiated responsibilities and the need to fully upgrade the status of the United Nations Committee of Experts on International Cooperation in Tax Matters.

14. During the Conference, a total of 182 side events were organized by Member States, major institutional stakeholders, United Nations bodies and other intergovernmental organizations, as well as civil society, business sector and philanthropic organizations.[5] Apart from official meetings, side events provided a platform for Governments and other stakeholders to announce additional commitments and present new initiatives that complemented the actions contained in the Action Agenda.

15. Side events attracted high-level participation and covered a broad range of issues related to financing for development, such as domestic resource mobilization (24), private business and finance (18) and support for women and children (16). More than 10 side events focused on each of the following areas: climate and environment finance, food and water, infrastructure, health and international development cooperation. Other events discussed the role of development banks and issues in financing agriculture, energy, science and technology and urbanization.

16. Prior to the Conference, civil society organizations held, on 11 and 12 July 2015, a Civil Society Organizations Global Forum, which included discussions on all aspects of the financing for development agenda and culminated in the adoption of a forum declaration. Throughout the Conference, civil society organizations expressed their strong support for the change in status of the United Nations Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body. In their assessment of the outcome document, they voiced concern over the lack of concrete commitments, as well as a perceived narrowing of the financing for development agenda with regard to systemic issues. However, they welcomed the creation of an annual Economic and Social Council forum on financing for development, which would provide space for continued engagement and further progress.

17. On 14 July 2015, the business sector held a one-day International Business Forum. Some 800 participants, including more than 400 representatives from the business sector, engaged in interactive dialogues on investing in the post-2015 sustainable development agenda. New concrete initiatives and partnerships were announced, including a new sustainable development investment partnership to mobilize $100 billion in private financing over five years for infrastructure projects in developing countries.

[5] For a list of side events, see www.un.org/esa/ffd/ffd3/index.html.

III. Addis Ababa Action Agenda

A new financing framework

18. The financing needed to achieve the 2030 agenda for sustainable development is extremely large, on the order of trillions of dollars annually. But the challenge is not insurmountable. Global public and private investment would be sufficient to address them, but only if financial resources are invested in and aligned with sustainable development. That requires public finance, policies and regulatory frameworks, unlocking the transformative potential of people and the private sector and incentivizing changes in consumption, production and investment patterns to support sustainable development.

19. The Addis Ababa Action Agenda presents a policy framework to realign financial flows with public goals. Official development assistance (ODA) remains crucial, particularly for countries most in need, but aid alone will not be sufficient. The Action Agenda addresses all sources of finance: public and private, domestic and international. As in the Monterrey Consensus, it recognizes that finance is not just about financing flows; it also depends on public policies that strengthen the national and international enabling environments. The Action Agenda reiterates the principle that countries have primary responsibility for their economic and social development, while committing the international community to create an enabling environment.

20. But the Action Agenda also goes beyond Monterrey to fully take into account the regulatory and other policy requirements for realizing all three dimensions — economic, social and environmental — of sustainable development in an integrated manner. The Action Agenda addresses the universal nature of the post-2015 development agenda and supports the implementation of the sustainable development goals. To tackle larger and more diverse financing needs, the Action Agenda offers a more nuanced understanding of the benefits and the risks associated with different types of finance.

21. The Action Agenda puts forward specific public policies and regulatory frameworks to encourage private investments that support the sustainable development goals. It stresses the importance of long-term investment and the need for all financing to be aligned with sustainable development. It spells out the potential contributions of public finance, highlighting the growing role of national, international and multilateral development banks. It emphasizes that the development and dissemination of technology, as well as capacity-building, are key means of implementation for the 2030 agenda for sustainable development. And it incorporates each of the means of implementation identified by the Open Working Group on Sustainable Development Goals.

Key initiatives

A new social compact to provide social protection and essential public services for all

22. More than 2.4 billion people still lack clean water and sanitation, 57 million of the world's children are not enrolled in school, and more than half the world's population lacks any social security coverage. As part of a new social compact, Governments commit to providing fiscally sustainable and nationally appropriate

social protection systems, including social protection floors. Governments are also encouraged to set nationally appropriate spending targets for quality investments in essential public services for all, including health, education, energy, water and sanitation. To that end, Governments agree to mobilize additional domestic public resources. At the same time, the international community commits to strong international support for those efforts.

A global infrastructure forum to bridge the infrastructure gap

23. Financing needed for basic infrastructure investment in developing countries is estimated to be between $1 trillion and $1.5 trillion annually. To address that financing gap, Member States agree to launch a global infrastructure forum, building on and better coordinating existing infrastructure initiatives. The forum will encourage a wider range of voices to be heard, particularly from developing countries. It will identify and address infrastructure and capacity gaps, with the aim of ensuring that no country or sector is left behind, and that the commitment to the social and environmental dimensions of sustainable development is respected.

A "least developed country package" to support the poorest countries

24. While ODA has risen, the share allocated to least developed countries has fallen by 16 per cent in recent years. As part of the Action Agenda, developed countries commit to reversing that trend. Developed countries are further encouraged to increase the target for ODA to the world's poorest nations to 0.2 per cent of national income, with the European Union promising to do so by 2030. Countries also agree to adopt or strengthen least developed country investment promotion regimes, including with financial and technical support. In addition, Governments aim to operationalize the technology bank for the least developed countries by 2017.

A technology facilitation mechanism to advance the sustainable development goals

25. The Action Agenda recognizes that the technology divide across a wide range of economic sectors makes it difficult for developing countries to achieve sustainable development. To help facilitate the development, transfer and dissemination of technologies relevant for achieving the sustainable development goals, Member States agree to establish a technology facilitation mechanism consisting of a United Nations inter-agency task team, an annual collaborative multi-stakeholder forum on science, technology and innovation for the sustainable development goals and an online platform.

Enhanced international tax cooperation to assist in raising resources domestically

26. Additional tax revenues are required to deliver the new social compact and finance sustainable development. Both improved domestic tax administration and strengthened international tax cooperation are essential to ensure that adequate finance is available. To support those efforts, countries agree to strengthen capacity-building, including through ODA. They also agree to support and strengthen existing international initiatives for tax cooperation, with a focus on the increased participation of developing countries. In that regard, Member States agree to strengthen the United Nations Committee of Experts on International Cooperation in Tax Matters.

Mainstreaming women's empowerment into financing for development

27. While much has been achieved over the past decade in terms of gender equality, such as in primary school enrolment and access to health care for women and girls, more remains to be done. There are significant differences in pay for equal work, women remain underrepresented in government and violence against women remains unacceptably common. The Action Agenda integrates gender consideration across all of its chapters. It emphasizes that women's empowerment can make a significant contribution to economic development for all. To that end, it commits countries to undertake legislation and administrative reforms to give women equal rights and promotes gender-responsive budgeting and tracking, among other measures.

28. Additional cross-cutting issues in the Action Agenda include scaling up efforts to end hunger and malnutrition; promoting inclusive and sustainable industrialization, full and productive employment and decent work for all and peaceful and inclusive societies; and protecting our ecosystem. The Action Agenda undertakes to draw upon a broad range of financing and technological modalities and combinations of modalities, as well as to utilize promising new areas of international cooperation to promote the delivery of the 2030 agenda for sustainable development, including the sustainable development goals. It highlights a set of broad initiatives whose policy content is elaborated in more detail in the ensuing sections.

Summary of the action areas

29. The Action Agenda includes agreements and policy recommendations in seven main areas: (i) domestic public resources; (ii) domestic and international private business and finance; (iii) international development cooperation; (iv) international trade as an engine for development; (v) debt sustainability; (vi) addressing systemic issues; and (vii) science, technology, innovation and capacity-building. The concluding section deals with data, monitoring and follow-up.

Domestic public resources

30. For all countries, public policies and the mobilization and effective use of domestic resources are central to the pursuit of sustainable development. Significant additional domestic resources, supplemented by international assistance, will be critical to realizing sustainable development and achieving the sustainable development goals. Countries commit to improving the fairness, transparency, efficiency and effectiveness of their tax systems, including by broadening the tax base and strengthening tax administration. The Action Agenda welcomes efforts by countries to set nationally defined domestic targets and timelines for enhancing domestic revenue, and agrees to support developing countries in need in reaching those targets. Countries also agree to strengthen international cooperation to build capacity in developing countries, including through enhanced ODA.

31. The Action Agenda commits countries to redouble their efforts to substantially reduce illicit financial flows by 2030, with a view to eliminating them over time, including by combating tax evasion and corruption, both through strengthened national regulation and increased international cooperation. In that effort, the Action Agenda invites appropriate international institutions to publish estimates of the volume and composition of illicit financial flows and encourages the international

community to develop good practices on asset return. Countries further commit to striving to eliminate safe havens that create incentives for transfer abroad of stolen assets and illicit financial flows.

32. Countries agree to strengthen international cooperation in tax matters, including through concrete transparency and reporting mechanisms. The Action Agenda further calls upon companies to pay taxes to the Governments of countries where economic activity occurs and value is created. The Action Agenda supports ongoing efforts in IMF, the Organization for Economic Cooperation and Development (OECD) and the World Bank, and strengthens the United Nations Committee of Experts on International Cooperation in Tax Matters, to ensure more inclusive cooperation and dialogue among national tax authorities.

33. Countries also commit to efficient and effective spending aligned with sustainable development, including through rationalizing and phasing out inefficient fossil fuel subsidies, while minimizing the impact on the poor. They further commit to transparent and gender-responsive budgeting and transparent public procurement frameworks. Particular attention is paid to the potential of development banks to finance long-term investments, especially in credit market segments in which commercial banks are not fully engaged or where large financing gaps exist.

Domestic and international private business and finance

34. The Action Agenda invites businesses to apply their creativity and innovation towards solving sustainable development challenges and to engage as partners in the development process. It encourages businesses to embrace a core business model that takes into account the environmental, social and governance impacts of their activities, including integrated reporting, and also encourages impact investing. In particular, private foundations are encouraged to use their endowments actively, through impact investment, to better support sustainable development.

35. Countries agree to strengthen their enabling environments in order to encourage private investment. They also agree to promote sustainable corporate practices, including integrating environmental, social and governance factors into company reporting. To that end, the Action Agenda calls for a harmonization of the various initiatives on responsible financing standards. At the same time, the Action Agenda emphasizes the importance of a strong regulatory and policy framework to better align private investment with public goals.

36. Acknowledging the importance of financial inclusion, countries agree to consider including financial inclusion as a policy objective in financial regulation. The Action Agenda features a package of policy measures aimed at strengthening access to finance for small, medium-sized and microenterprises, including through the use of development banks and innovative instruments. The Action Agenda acknowledges the importance of robust risk-based regulatory frameworks for all financial intermediation, but underscores that some risk-mitigating measures could potentially have unintended consequences, such as making it more difficult for small, medium-sized and microenterprises to access financial services. Countries agree to work to ensure that policy and regulatory environments support financial market stability and promote financial inclusion in a balanced manner. Developing countries further agree to develop or strengthen long-term bond markets as a source of development finance, along with capital market regulations designed to reduce

excess volatility and promote long-term investment aligned with sustainable development.

37. The Action Agenda also sets a target to reduce the average cost of transmitting remittances across borders to less than 3 per cent by 2030. Countries further agree to ensure that no remittance corridor requires charges of more than 5 per cent, mindful of the need to maintain adequate service coverage, especially for those most in need.

International development cooperation

38. The ambitious 2030 agenda for sustainable development will put significant demands on public budgets and capacities, which requires scaled-up and more effective international support, including both concessional and non-concessional financing. In that regard, developed countries recommit to their ODA targets, including 0.70 per cent of gross national income (GNI) provided as ODA, with 0.15 to 0.20 per cent to least developed countries. Developed countries further commit to reversing the declining trend of ODA to the least developed countries, and are encouraged to set a target of providing at least 0.20 per cent of ODA/GNI to least developed countries, with the European Union promising to do so by 2030.

39. The Action Agenda calls upon providers of ODA and South-South cooperation to further increase the effectiveness of their cooperation, and to increase knowledge-sharing of their respective efforts. In that context, countries also decide to hold open, inclusive and transparent discussions on the proposed measure of "total official support for sustainable development". The text speaks to the need to take into account the three dimensions of sustainable development in all flows and to increase efforts to enhance the resilience of countries to respond to shocks and natural disasters.

40. The Action Agenda calls upon multilateral development banks to adapt and be fully responsive to the sustainable development agenda. It stresses that development banks should make optimal use of their resources and balance sheets. It encourages them to examine their role, scale and functioning to improve their contribution to the sustainable development agenda. It further calls upon development banks to develop graduation policies that are sequenced, phased and gradual, and to help ensure that countries have access to sufficient affordable finance after graduation. It welcomes new development banks and their contributions to development, and calls upon them to establish or maintain social and environmental safeguards systems. The Action Agenda also acknowledges the role played by multi-stakeholder partnerships in financing certain sectors and encourages them to support country-driven priorities and strategies.

International trade as an engine for development

41. The Action Agenda welcomes the progress made recently in multilateral trade negotiations, in particular the Bali Package of the Ninth Ministerial Conference of WTO. It calls upon WTO members to redouble their efforts to promptly conclude the negotiations on the Doha Development Agenda. It emphasizes the importance of policy coherence and regional integration, and in that context commits countries to crafting appropriate safeguards in trade and investment agreements so as not to constrain domestic policies and regulation in the public interest. It commits to exploring ways to expand trade financing, which can alleviate constraints on

capturing trade-expansion opportunities. It invites the General Council of WTO to consider how it can contribute to sustainable development.

42. The Action Agenda gives special attention to WTO policies to encourage trade expansion by least developed countries and other developing countries, welcoming in particular the new WTO process to monitor and analyse the implementation of its policy on "special and differential treatment" of developing countries. It reaffirms the right of WTO members to take advantage of the flexibilities to protect public health that are available in the agreement on protecting intellectual property rights, and encourages WTO members to accept the agreement to improve access to affordable medicines by the end of 2015. Governments also endorse "aid for trade" and will strive to allocate an increasing proportion of it to least developed countries. They further commit to providing technical assistance to landlocked developing countries to support their participation in trade negotiations. Governments resolve to enhance support for various efforts to address illegal wildlife trade and illegal fishing, logging and mining, which are a challenge for many countries.

Debt sustainability

43. The Action Agenda notes the progress that has been made since Monterrey in the areas of debt and debt sustainability, but also expresses concern over the debt sustainability challenges that some countries face. It acknowledges that debt restructurings enhance the ability of debt-constrained countries to achieve sustainable development. As in Monterrey, the Action Agenda recognizes that both debtors and creditors share responsibility for debt crises, and it commits countries to work towards a global consensus on guidelines for debtor and creditor responsibilities. It also invites relevant institutions to consider creating a central data registry that includes information on debt restructurings, which would enhance public availability of debt data.

44. The Action Agenda recognizes the need to impede the activities of uncooperative minority bondholders of crisis-country bonds (so-called vulture funds), and encourages countries to adopt legislative efforts in that regard. Countries also commit to strengthening international support for advisory legal services for developing countries. The Action Agenda calls upon the international community to offer support to countries whose debt sustainability is threatened by shocks and natural disasters. It encourages consideration of further debt relief steps and the study of new risk-reducing financial instruments that could be of assistance for developing countries experiencing debt distress, particularly least developed countries, landlocked developing countries and small island developing States.

Addressing systemic issues

45. The Action Agenda reiterates Monterrey's emphasis on the importance of continuing to improve global economic governance and to strengthen the United Nations leadership role in promoting development. Monterrey also emphasized the importance of coherence and consistency in the international financial, monetary and trading systems in support of development. The Action Agenda reflects the broadening of the post-2015 development agenda to encompass policy coherence among the economic, social and environmental dimensions of sustainable development. It also takes into account international migration, affirming the rights of migrant workers.

46. As did the Monterrey Consensus, the Action Agenda emphasizes the importance of international financial stability and international cooperation to counter excessive volatility. That reflects concern about systemic risks from regulatory gaps and misaligned incentives in the financial sector. Countries agree to address the systemic risks associated with shadow banking and "too big to fail" financial institutions. They also promise to adopt measures to make food commodity markets function properly. They resolve to reduce mechanistic reliance on assessments by credit rating agencies, including with regard to prudential banking regulations. To that end, countries commit to adopting measures to improve the quality of ratings, including by promoting increased competition and measures to avoid conflicts of interest and increase transparency.

47. The Action Agenda further recognizes the need for strengthening the permanent international financial safety net, with a strong IMF and strengthened dialogue and cooperation with regional financial initiatives. Member States look forward to undertaking the special drawing rights review this year. The Action Agenda calls upon IMF to provide adequate levels of financial support to developing countries pursuing sustainable development and to assist them in managing any associated pressures on the national balance of payments.

48. In addition, the Action Agenda calls for further increases in voice and representation of developing countries in global norm-setting and decision-making bodies, including IMF and the World Bank and financial norm-setting bodies. Moreover, as shareholders in the main international financial institutions, Member States commit to selecting their leaders through open and transparent, gender-balanced and merit-based processes and to making their staff more diverse. The Action Agenda also stresses the importance of ensuring that international agreements, rules and standards are consistent with each other and with progress towards the sustainable development goals, and encourages development finance institutions to align their business practices with the post-2015 development agenda.

Science, technology, innovation and capacity-building

49. In a major expansion and advance of the Monterrey Consensus, the Addis Ababa Action Agenda introduces a section on science, technology and innovation as well as capacity-building. The Action Agenda stresses the importance of public policies and finance to spur innovation, and calls upon countries to consider setting up diversified innovation funds. It puts capacity-building at its core, including for domestic resource mobilization, international support to develop local capital markets, public-private partnerships, foreign direct investment and infrastructure.

50. The Action Agenda establishes a technology facilitation mechanism consisting of three components: (i) a United Nations inter-agency task team on science, technology and innovation for the sustainable development goals, which will work with members of civil society, the private sector and the scientific community to promote coordination, coherence and cooperation in technology initiatives; (ii) an online platform to establish a comprehensive mapping of and disseminate information on initiatives, mechanisms and programmes related to science, technology and innovation; and (iii) an annual collaborative multi-stakeholder forum on science, technology and innovation for the sustainable development goals. The forum will provide a venue for facilitating interaction and matchmaking

between relevant stakeholders and will help facilitate the development, transfer and dissemination of relevant technologies for the sustainable development goals.

51. Taking into account the recommendations by the High-level Panel on Technology Bank for Least Developed Countries, Governments will seek to operationalize the technology bank by 2017. They will also seek to promote synergies between the bank and the technology facilitation mechanism.

Data, monitoring and follow-up

52. The final chapter of the Action Agenda considers how the international community should monitor the implementation of the agreed actions. It emphasizes the importance of high-quality disaggregated data for policymaking and of monitoring the progress of implementation of the Action Agenda and the post-2015 development agenda, and prioritizes capacity-building in that area. It also calls upon the United Nations system, in consultation with the international financial institutions, to develop transparent measurements of progress on sustainable development that go beyond per capita income.

53. To ensure adequate follow-up, the Action Agenda establishes an annual follow-up forum on financing for development of the Economic and Social Council, with universal intergovernmental participation. Its intergovernmentally agreed conclusions and recommendations will be fed into the follow-up and review of the post-2015 development agenda in the High-level Political Forum on Sustainable Development. The deliberations of the Development Cooperation Forum of the Economic and Social Council will also be taken into account. Countries also decided that the High-level Dialogue on Financing for Development of the General Assembly will be held back-to-back with the High-level Political Forum under the auspices of the Assembly when the High-level Political Forum is convened every four years. In addition, an inter-agency task force will report annually on progress in implementing the financing for development outcomes and the means of implementation of the post-2015 development agenda. Together, those efforts aim to ensure that no country is left behind.

IV. Revitalized global partnership for sustainable development

54. The Action Agenda also serves as a guide for further actions by Governments, international organizations, the business sector, civil society and philanthropists. In addition to the agreements reached in the outcome document, there were more than 65 initiatives launched and concrete announcements made at the Conference. Reflecting the intergovernmental nature of the Conference, more than half of the commitments were made by Governments, but announcements were made by all types of actors (Governments, international organizations, businesses, civil society and the philanthropic community) at the national, regional and global levels.

55. Although commitments and initiatives covered a wide range of issues, many of the initiatives were clustered around five main areas: (i) domestic resource mobilization; (ii) infrastructure and the financing of small, medium-sized and microenterprises; (iii) social needs; (iv) environmental concerns; and (v) data. Many of the new initiatives focused on capacity-building, and several included commitments of additional resources. The announcements complemented recent decisions to set up new multilateral development banks and new funds, primarily

focused on infrastructure. A selection of key initiatives is described below. A full list of voluntary commitments and initiatives is available on the website of the Conference.[6]

56. Recognizing the centrality of domestic resource mobilization, four major initiatives were launched in the area of international tax cooperation: the Addis Tax Initiative; Tax Inspectors Without Borders; a joint IMF/World Bank tax initiative; and a new regional network of tax administrators in the Asia-Pacific region.

57. In the Addis Tax Initiative, more than 30 countries and international organizations have teamed up to enhance the mobilization and effective use of domestic resources and to improve the fairness, transparency, efficiency and effectiveness of tax systems. Donor countries will collectively double their technical cooperation in the areas of domestic revenue mobilization and taxation by 2020, while partner countries restated their commitment to stepping up domestic resource mobilization. The Tax Inspectors Without Borders project, a joint initiative of OECD and UNDP, will facilitate targeted tax audit assistance in developing countries worldwide. Tax audit experts will work alongside local officials of developing country tax administrations to help strengthen tax audit capacities, including on issues concerning international tax matters.

58. The joint IMF/World Bank tax initiative has two pillars: deepening the dialogue with developing countries on international tax issues with the aim of helping to increase their voices in the international debate on tax rules and cooperation; and developing improved diagnostic tools to help member countries evaluate and strengthen their tax policies. Building on other regional forums, which have been successful in sharing experiences and expertise, the Economic and Social Commission for Asia and the Pacific has proposed the establishment of a new tax forum in the region, a group of tax experts mandated to catalyse regional action to raise the region's low tax/GDP ratio.

59. Several initiatives related to financing infrastructure and small, medium-sized and microenterprises were announced, particularly by development banks. A group comprising the World Bank and five regional development banks vowed to increase their contribution to sustainable development finance to more than $400 billion over the next three years, partly reflecting efforts to make better use of their balance sheets. The Government of Japan promised to provide Asian countries with innovative infrastructure financing amounting to an additional $110 billion in total over the next five years, part of which will be channelled through the Asian Development Bank. The United Kingdom of Great Britain and Northern Ireland announced a capital injection of 735 million pounds ($1.14 billion) over three years into the Commonwealth Development Corporation, its Government-owned development finance institution, to allow the Corporation to target more support to developing countries.

60. The Prime Minister of Italy announced the creation of a new Italian development finance institution, to be hosted with the Italian national promotional bank Cassa Depositi e Prestiti. Canada announced that it would establish a development finance initiative for low- and middle-income countries. As Chair of the Redesigning Development Finance Initiative, Canada, in cooperation with the World Economic Forum, Dalberg Global Development Advisors and the Global

[6] See www.un.org/esa/ffd/ffd3.

Development Incubator, also launched a new initiative, called "Convergence", an online platform for sharing knowledge, matchmaking and forging blended finance partnerships. Moreover, a group of development banks, convened by the International Development Finance Club, announced that its members disbursed approximately $440 billion annually to finance a wide range of projects in strategic sectors, and the role of national development banks in financing the sustainable development goals was seen to be increasing.

61. Those announcements come on top of recent initiatives to set up new development banks. In the month before the Conference, the Asian Infrastructure Investment Bank was launched. Immediately after the Conference, the New Development Bank was formally inaugurated by Brazil, the Russian Federation, India, China and South Africa (BRICS). The registered capital of each of these institutions is expected to be $100 billion. In addition, in the months prior to the Conference, China launched a $40 billion Silk Road infrastructure fund.

62. A new multi-stakeholder partnership, the Sustainable Development Investment Partnership, was also launched in Addis Ababa. The partnership aims to mobilize $100 billion in private financing over five years for infrastructure projects by improving and enhancing risk mitigation tools to reduce political, regulatory, credit and currency risks and liquidity threats. The partnership was founded by Citigroup, Deutsche Bank, East Capital, Standard Chartered Bank, Storebrand and Sumitomo Mitsui Banking Corporation.

63. The Sustainable Energy for All (SE4ALL) initiative launched a report identifying the potential for catalysing incremental annual investments in sustainable energy. The report on scaling up finance for sustainable energy investments, by the Finance Committee of the initiative's Advisory Board, describes concrete ways to increase crucial private-sector investment by a potential $120 billion a year by 2020 through innovative financing structures. The report also contains recommendations on ways to improve the pipeline of suitable projects, particularly in developing countries.

64. Prior to the Conference, the African Development Bank, the World Bank Group and the Government of Sweden collectively committed an additional $9 billion in support of Power Africa. In Addis Ababa, the European Union and Power Africa announced a new partnership, through which the European Union committed to fund more than $2.8 billion in sustainable energy activities across sub-Saharan Africa. The funds are expected to mobilize additional investment from the private sector. Power Africa's initial $7 billion commitment has mobilized more than $20 billion in private-sector commitments.

65. New financing partnerships were also created to tackle health and nutrition issues. The Global Financing Facility was launched in support of the Every Woman Every Child initiative. Some $12 billion in domestic, international, private and public funding has already been aligned to country-led five-year investment plans for the health of women, children and adolescents in the four Global Financing Facility front-runner countries: the Democratic Republic of the Congo, Ethiopia, Kenya and the United Republic of Tanzania. The Bill & Melinda Gates Foundation, Canada, Japan and the United States of America announced new financing commitments to the Global Financing Facility totalling $214 million. That is in addition to commitments previously made by Canada and Norway totalling $800 million.

66. The Islamic Development Bank and the Bill & Melinda Gates Foundation launched a new initiative, to be known as the Lives & Livelihoods Fund, to address poverty and diseases in Islamic Development Bank member countries. Through that innovative initiative, the Islamic Development Bank, the Gates Foundation and other donors will support poverty-focused programmes worth $2.5 billion in primary health care, disease control, smallholder agriculture and basic rural infrastructure over the next five years. In addition, six African countries announced their implementation of UNITLIFE, the first micro-levy on extractive industry revenue to finance nutritional interventions for children.

67. A number of countries restated or updated their commitments to provide ODA. The European Union as a group specifically committed to collectively achieving the United Nations target of 0.70 per cent of ODA/GNI within the time frame of the post-2015 agenda, including the commitment to dedicate collectively 0.15-0.20 per cent of ODA/GNI to least developed countries in the short term, and 0.20 per cent of ODA/GNI to least developed countries by 2030. The five countries that already provide more than 0.70 per cent of GNI as ODA (Denmark, Luxembourg, Norway, Sweden, and the United Kingdom) all committed to continue to provide ODA at that level. Belgium committed to allocate 50 per cent of its ODA to least developed countries. The United States committed to continue its efforts to allocate 50 per cent of its ODA to least developed countries or fragile and conflict-affected States. Germany committed to double its contribution to the Green Climate Fund.

68. Governments, businesses, civil society and international organizations also made major commitments to address gaps in data production, openness and use, including announcing the intention to launch a global partnership for sustainable development data in September 2015. Countries agreed to quickly explore the options for the structure of the global partnership, with the United States and the William and Flora Hewlett Foundation agreeing to provide seed funding for the secretariat of the partnership.

69. A revitalized global partnership for sustainable development will require additional actions, building on the Addis Ababa Action Agenda and the announcements made at the Conference. The financing framework described above provides the basis for those actions and will shape development cooperation and international economic and financial governance. By ensuring that all policies are coherent with international goals, targets and commitments, a revitalized global partnership can truly take shape.

V. Non-state stakeholder inputs

Civil Society Organizations Global Forum

70. More than 600 representatives of civil society organizations and networks from around the world gathered in a two-day Civil Society Organizations Global Forum, organized by the Addis Ababa Civil Society Organizations Coordination Group. The Forum adopted an Addis Ababa Civil Society Organizations Financing for Development Forum Declaration,[7] which outlined the civil society perspective

[7] Available from https://csoforffd.wordpress.com/cso-forum/addis-ababa-cso-ffd-forum-declaration.

on a wide range of issues related to the financing for development agenda and the means of implementation for the sustainable development goals.

71. The Declaration argued that, as the first of three important United Nations summits on sustainable development in 2015, the Addis Ababa Conference was an opportunity to set the tone for an ambitious and transformative agenda that would tackle the structural injustices in the current global economic system, and ensure that all development finance was people-centred and protected the environment. Among civil society organizations and social movements, there was a strong commitment to the financing for development approach that met the basic needs of all people while preserving the planet for future generations. The Declaration stated that the principles of democratic ownership and leadership were at the heart of the financing framework. It argued that an enabling environment for civil society agency was essential. It also stated that the principle of common but differentiated responsibilities was indispensable for the political legitimacy and impact of the financing for development agenda.

72. Civil society organizations expressed concern that the Addis Ababa outcome would not be sufficient to enable sustainable development and function as the operational means of implementation for the post-2015 development agenda. However, they reaffirmed their intent to continue working with all countries, institutions and subnational authorities towards aligning financing with such a development approach. For that purpose, they agreed to strengthen the civil society organization community involved in the financing for development process at the global, regional and country levels. They also expressed their appreciation for the participation and access civil society was accorded in the preparatory process.

73. At the closing of the Conference, civil society organizations issued a response[8] to the outcome document that reiterated their concerns, but also recommitted to staying engaged to uphold the aspirations for economic, monetary and financial frameworks that responded to the imperatives of human rights and the values of humanity and solidarity. They committed to continuing to promote the vision of an economy at the service of people and planet and to advocate for the democratization of economic governance and the reaffirmation of the centrality of the United Nations in that regard. They noted that the establishment of an intergovernmental and universal forum on financing for development would provide the political space to advance the global normative agenda in that direction.

International Business Forum

74. The International Business Forum explored challenges and solutions for development cooperation from the perspective of the private sector. The Forum was organized by the Financing for Development Business Sector Steering Committee, led by the International Chamber of Commerce in collaboration with the International Finance Corporation, the United Nations Foundation, the United Nations Global Compact and the World Economic Forum.

75. At the meeting, participants from across the global development community recognized and embraced the urgent need for further cooperation and strategic dialogue with the private sector to increase its contributions to sustainable

[8] Available from https://csoforffd.files.wordpress.com/2015/07/cso-response-to-ffd-addis-ababa-action-agenda-16-july-2015.pdf.

development solutions worldwide. They agreed that more inclusive and sustained growth relied on the integration of all countries into global goods and services markets, and on their tapping of global capital. It was also indicated that the private sector was key to that integration. To unlock its potential, business needed the right enabling environment — economic, legal and regulatory — and the right incentives set by public policies. Recognizing that no single model fit all countries, participants suggested that countries must be strategic in creating a business environment that encouraged productivity growth.

76. The Forum further highlighted that delivering the post-2015 development agenda would require the creation of new partnerships that harnessed the power of the private sector to drive economic growth, create jobs and reduce poverty. Many companies had already understood that financing consumer, social and environmental solutions that benefited society presented smart investment opportunities.

77. The diversity of the private sector, ranging from microenterprises to cooperatives to multinationals both foreign and domestic, offered creativity and innovation towards solving sustainable development challenges. Most importantly, businesses looked to continue to partner with Governments and other stakeholders to ensure business activities were carried out in a responsible, sustainable and socially inclusive manner. New initiatives for private financing of development projects were announced in that regard.